

Financial Report on European Green Party Accounts for 2011 as adopted by the EGP Council in Copenhagen, 13th May 2012

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European Green Party (EGP)

Breakdown of draft budget for 2011

	Accounts 2010	Budget 2011	Financial report 2011	GAP	Notes
	Decided in Budapest	Decided in Tallinn	2011-12-31	in %	
Eligible expenditure					
Category 1: Personell costs	406 919	612 300	551 752	90%	1
1.1. Salaries	288 089	422 200	302 487		
Permanent employees	226 726	311 700	178 691		
Extra staff	61 363	110 500	123 795		
1.2. Contributions	77 832	144 100	134 810		
Employer costs (social secretariat)	77 832	144 100	134 810		
1.3. Professional training	3 132	10 000	7 884		
Staff training	3 132	10 000	7 884		
1.4. Staff missions expenses	3 236	11 000	16 060		
Staff travel	3 236	10 000	9 095		
Staff other costs		1 000	6 965		
1.5. Other personell costs	34 630	25 000	90 512		
Other expences Secretary general	26 265	5 000	23 067		
Other personell costs (public transport, insurance)	8 365	20 000	16 609		
Honorary fees consultancys			50 835		
Category 2: Infrastructure and operating costs	125 146	186 700	158 178	85%	2
2.1. Rent, charges and maintenance costs	55 782	75 400	76 781		
Office rent	46 685	62 400	63 170		
Charges (electricity, water, cleaning etc.)	4 336	8 000	10 610		
Other maintainence costs	4 761	5 000	3 002		
2.2. Costs relating to the installation,operation and maintenance of equipment	6 948	15 000	14 972		
Computers	757	1 000			
Copier	766	2 000	1 475		
Internet		2 000			
Office supplies small material			4 285		
Other equipment (installation and operation)	5 425	10 000	9 212		
2.3. Depreciation of movable and immovable property	14 566	13 000	16 259		
Furniture		2 000	1 310		
Computers		10 000	12 145		
Other office equipment	14 566	1 000	2 803		

2.4. Stationery and office supplies		5 992		8 000		8 197		
Paper	772		3 000		1 548			
Other	5 220		5 000		6 649			
2.5. Postal and telecommunications charges		7 001		14 000		9 898		
Postal charges	- 221		2 000		610			
Telephones, mobile phones	7 222		12 000		9 288			
2.6. Printing, translation and reproduction costs		-		22 000		5 501		
Translations			20 000		266			
Other costs for producing materials			2 000		5 235			
2.7. Other infrastructure costs		34 857		39 300		26 570		
Other infrastructure costs	19 377		20 000		7 250			
Extra costs Committee members (150/180 e)	15 480		19 300		19 320			
Category 3: Administrative expenditure		32 796		98 500		38 652	39%	3
3.1. Documentation costs (newspapers, press agencies, databases)		3 291		68 000		848		
Archive	1 815		15 000					
Database	141		50 000		102			
Other documentation costs	1 335		3 000		746			
3.2. Costs of studies and research		10 000		10 000		2 426		
Research	10 000		10 000		2 426			
3.3. Legal costs		1 805		4 000		12 570		
Legal advice	1 805		4 000		12 570			
3.4. Accounting and audit costs		14 241		15 500		22 808		
Accounting	9 852		11 000		16 345			
Auditing	4 389		4 500		6 463			
3.5. Miscellaneous administrative costs		3 459		1 000		-		
Other administrative costs	3 459		1 000					
Other consultancy costs								
Honorary fees Committée								
Category 4: Meeting and representation costs		378 263		526 000		647 951	123%	4
4.1. Costs of the meetings of the EFGP		321 666		442 000		586 446		
Committee meetings	29 240		40 000		29 279			
Spring council	85 805		80 000		120 072			
Fall council/congress 2011	95 730		100 000		227 880			
Working group meetings	11 926		20 000		20 221			
Strategy meetings/Horizon 2014	15 985		40 000		46 087			
Summer university 2011			30 000		47 288			
Local Councillors Initiatives			30 000		17 707			

GEWD	15 631		15 000		1 031		
MED Baltic, North sea and GIN network	3 402		15 000		3 543		
Individual supporters initiatives	27 460		20 000		9 694		
Other meetings	5 044		5 000		10 844		
FYEG 2,5% eligible costs	22 040		39 000		39 000		
FYEG office grant	2 600		8 000		7 800		
FYEG projects	6 803				5 999		
4.2. Participation in seminars and conferences		43 611		67 500		51 028	
EGP participation in Global Greens event	18 522		37 500		29 468		
Contribution to Global Greens	10 000		10 000		10 000		
Green Group meetings	1 202		5 000				
Fact finding missions	13 887		15 000		11 560		
Other participation							
4.3. Representation costs		3 801		5 000		2 977	
Expences committee members	3 801		5 000		2 977		
4.4. Costs of invitations		-		2 000		-	
Invitations			2 000				
4.5. Other meeting-related costs		9 185		9 500		7 500	
Other costs	1 685		2 000				
CO2 compensation	7 500		7 500		7 500		
Category 5: Information and publications		28 298		117 000		170 653	146% 5
5.1. Publications costs		-		35 000		23 402	
Other publications (party directory etc.)			10 000		13 216		
Publications working groups			5 000		553		
Publications projects							
Promoting materials campaigns			20 000		9 633		
5.2. Creation and operation of Internet sites		12 834		40 000		99 804	
Maintenance	9 609		10 000		5 495		
Development	3 225		30 000		94 308		
5.3. Publicity costs		15 464		30 000		12 671	
Publicity campaigns	15 464		20 000		12 671		
Other campaign costs			10 000				
5.4. Communications equipment (gadgets)		-	10 000	10 000	34 776	34 776	
5.5. Seminars		-		-		-	
5.6. Exhibitions		-		-		-	
5.7. Other information related costs		-		2 000		-	
			2 000				

Category 6: Expenditure relating to contributions in kind	30 000		60 000		34 136		6
	30 000		60 000		34 136		
Category 7: Allocations	240 812				177 924		7
Carry over to first quarter of next year	240 812				177 924		
Total Eligible Expenditure	1 248 234	1 242 234	1 600 500	1 600 500	1 779 246	1 779 246	111%
Non-eligible expenditure							
1. Provisions		170 000		125 000		203 648	
Campaign fund	55 000		55 000		75 000		
Social Fund	65 000		40 000		40 000		
Property fund	50 000		30 000		30 000		
Congress fund					58 648		
2. Financial charges	890	890	1 000	1 000	1 172	1 172	
3. Exchange losses	6	6	500	500	5	5	
4. Doubtful debts	1 000	1 000	-	-	-	-	
5. Others	6 155	6 155	11 000	11 000	417	417	
Total non-eligible expenditure	178 051	178 051	137 500	137 500	205 241	205 241	149%
TOTAL BUDGET EXPENDITURE	1 426 285	1 420 285	1 738 000	1 738 000	1 984 487	1 984 487	114%
Revenue							
European Parliament Grant		1 054 999		1 298 539		1 298 539	100%
	1 054 999		1 298 539		1 298 539		
Dissolution					240 812		9
Provision from 2010 to cover eligible costs for the first quarter					240 812		
Own resources		365 286		418 000		445 136	106%
Membership fees	268 420		280 000		284 200		
Donations							
Supporters' fees	27 475		20 000		10 353		
Participation fees	35 513		50 000		61 124		
Financial income	177				5 648		
Extraordinary income	1 101						
Contributions in kind	30 000		60 000		34 136		
Own resources earmarked to cover non-eligible expenditure							

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INCOME STATEMENT	2011	2010
REVENUES		
Grant from European parliament	1298539	1054999
Membership-,observer- and supporters fees	285941	295895
Other income	153547	69214
TOTAL REVENUE	1738027	1420108
EXPENDITURE		
External costs	1136378	622255
GROSS OPERATING MARGIN	601650	797854
Salaries,wages,social expenses and pensions	448533	364602
Depreciations on assets	16259	14566
Provisions for risks and liabilities	-80925	240812
Other operating expenses	8363	6832
OPERATING PROFIT	209420	171042
Financial revenues	5648	177
Financial expenses	1329	896
CURRENT PROFIT	213739	170323
Extraordinary revenues	0	14796
Extraordinary expenses	10091	15119
PROFIT OF CURRENT ACCOUNTING YEAR	203648	170000

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BALANCE SHEET	2011	2010
ASSETS		
Fixed assets total	81951	64056
<u>Tangible assets</u>		
Office equipment	52451	52301
<u>Long-term investments</u>		
Guarantees	29500	11755
Current assets total	866762	712569
Short- term receivables	374148	247332
Cash assets	479419	457113
Accruals	13195	8124
TOTAL ASSETS	948714	776625
LIABILITIES AND OWN RECOURSES		
Own resources		
Initial funds	68927	68927
Reserves	473648	270000
Profit carried forward	25261	25261
Provisions	177924	258849
Total own resources	745760	623038
Liabilities		
Short-term liabilities	202954	127187
Accruals	0	26400
Total liabilities	202954	153587
TOTAL LIABILITIES AND OWN RECOURSES	948714	776625

Lena Lindström Treasurer EGP, 3 May 2012

To the European Green Party Council in Copenhagen

Memorandum on Accounts for 2011

We have a positive outcome of 2011, the total result of the year is before reservations a surplus of 381 572 €. In Tallinn last year we decided to make a provision of 125 000 € to our funds. If we deduct that we still have 256 572 € as surplus. The surplus emanates partly from the fact that we had an extra income in the carry-over of 240812 € from 2010 since we didn't change the budget accordingly. But we also have a small income surplus on our own resources of 27136 € compared to budget.

Notes

1. Personnel costs - 10 %

We have 10 % less personnel costs in total. This is due to the fact that we had budgeted for a full year position as office director. This position was not finalized until spring 2012. Salaries on 1.1 are lower also because we have 50 835 on category 1.5 for our media consultant. On 1.5 we also have a bigger amount than budgeted for other expenses for Secretary General. This is because we have decided that we pay for some expenses for the Secretary General instead of the total decided salary. Thus a reduction in salary exchanged for payments for costs.

2. Infrastructure and operating costs - 15 %

We have now moved in to all areas of the planned office. The costs for renovation and furnishing of the new parts of the office were not as expensive as estimated and the budget for other infrastructure costs on 2.7 therefore was not fully used. On the other hand we have had to invest in new computers and some other technical equipment which has given a higher cost for depreciations on 2.3. We didn't use the budget of 20 000 € for translations this year that budget.

3. Administrative costs - 61 %

The budget for archive on 3.1 wasn't used since we didn't have time to work on it. The costs for database development on 3.1 was moved to internet development under category 5.2 since it all came as a package. The budget for costs for studies and research 3.2 was not used this year.

We have asked for more legal advice, 3.3, for example the media consultancy contract and the new day allowances for the Committee.

On 3.4 the accounting and audit costs are higher since the turnover of our organization is growing. We have asked for more economic reports. We also had the carry-over from 2010 that needed to report to EP. That meant that the first quarter report of 2011 had to be extra audited and supplied to the EP with the final report of 2010.

4. Meeting and representation costs + 23 %

Both the Council and the Congress overrun their initial allocated budgets. The Committee aims to arrange these events professionally and the number of participants has grown. The Committee decided to raise the budget for the Congress since it was impossible to arrange it with the initially allocated budget and the result is within that budget limit. A large part of the costs were provided by the French Greens.

Our efforts to support Green parties under the label of Horizon 2014 went a little above budget with support and travel to these member parties.

Summer University was more expensive than budget since EGP arranged several seminars on its own during this event. On the other hand the Local Councilors used less than budget.

Our different networks did not have very much activity during 2011.

Other meetings include support for ENGS' (European Green Seniors) board meetings. From 2012 they are formally a network within EGP.

FYEG received 5999 € extra for projects at the end of the year when the Committee saw there where money that we could allocate.

We used less for Global Greens participation than we had anticipated. This was because most of the costs for the Congress in Dakar came during first quarter of 2012. We had expected more during 2011. We have together with Green Forum Foundation Sweden and Australian Greens financed the Event manager for the Global Greens Congress. The work has been done from our office in Brussels. The salary is on the budget for salaries extra staff and all other costs on this budget line.

5. Information and publications + 46 %

The main task during 2011 has been to develop our new website and database and the costs for this is a total of 94 308 € and we had a total budget of 30 000 + 50 000 for the database. To use more was an active decision when we realized that we had more money available from the

carry-over. This is an important investment for a European organization that wants to communicate effectively with all their member parties and individuals.

The costs for gadgets and other communications equipment are a bit higher than budget since we really wanted to be visible in both Budapest and at the Paris congress.

6. Contribution in kind - 43 %

The budget is lower both in costs and income since we didn't receive information on this from the French Greens after the congress.

7. Allocations

This is grant from the EP 2011 that was not used during the year and that can be used instead during the first quarter of 2012. This is one reason that we propose changes to the budget for 2012.

8. Non-eligible expenditure

The costs that are not eligible (not covered by the EP grant) are for example financial costs, taxes, costs from previous years that arrives too late to be booked in the right years account and extra depreciations on investments. The net cost is low in the report for 2011 because of a dissolution of a provision. For the allocation to reserves see below under point 10 results.

9. Income + 16 %

Own resources is up with 6 % compared to budget. A little higher membership fees compared to budget and quite a bit higher than 2010. The participation fees are higher because of the Congress.

Invoiced costs is FYEG rent 7 800 €, HBS and GEF for Congress 11 458,76 €, Dutch Greens for ISN work 18 000 €. There is also as mentioned the contributions from Green Forum Sweden, 5 000 €, and the Australian Greens for the Global Greens congress event manager, 7 417 €.

The biggest extra income is the carry-over from 2010 of 240 812 €.

Result

The result is as mentioned a total surplus of 381 572 € before allocations.

Following the EP rules that we only can do reserves out of our own resources we can use 203 648 € of the surplus to allocate to the funds. The 2011 budget decision was to put 125 000 € to the funds so there is an additional option to reserve an extra amount of 78 648€. The Committee proposes therefore that 20 000 € extra is reserved for the Campaign fund. We also propose according to the decision at Paris Congress to start a Congress fund and that we do that already 2011 with a reservation for 58 648 €.

The Committee proposal for reservations in the Accounts of 2011

Decided allocations	in the budget	New proposal	Total reserves by end 2011
Campaign fund	55000	75000	180000
Social fund	40000	40000	130000
Property fund	30000	30000	80000
Congress fund (New!)		58648	58648
Total	125000	203648	448648

This leaves us with 177 924 € that we propose to take with us as a carry-over to the first quarter of 2012 according to European Parliament rules.

The Committee proposes to the Council to:

- To install a Congress fund as from 2011
- To allocate the result as proposed above



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**Corrective auditor's report
of International Non Profit Association
"Fédération des Partis Verts Européens"
in English "European Federation Green Parties"**

According to the audit mandate, we have audited the financial statements of the party prepared by its accountant for the year ending 31/12/2011 and which shows a balance sheet total of 948.713,69 € and a profit for the year of 203.648,00 €, after provision for carry-over for costs on first quarter 2012 of 177.924,00 €, as laid out on the two pages of this document.

Respective responsibilities of the party and the auditors

The party is responsible to the European Parliament for the use of the grant and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts. It is further responsible for the preparation of its annual financial statements.

We have the responsibility to plan and carry out the required work to verify the financial statements prepared by the party and to report to the party with a reasonable assurance our audit opinions.

Basis of Opinions

We conducted the audit in accordance with International Standards on Auditing issued by the IAASB. This standard requires the auditor to plan and carry out his work in a way to obtain sufficient and appropriate evidences and explanations to support his audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to these opinions.

The audit work included specific procedures to gather sufficient and appropriate audit evidence that:

- The financial statements, which have been prepared in accordance with the national legislation applicable to the party, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- The expenditure declared was actually incurred;
- The statement of revenue is exhaustive;
- The obligations arising out of Articles 6, 7, 8, 9 (2) and 10 (2) of Regulation (EC) N°2004/2003 have been met;

- The obligations arising out of Article 109 (4) of the Financial Regulation have been met;
- The obligations arising from Article II.12 – *Eligible expenditure* of the grant agreement have been met;

Opinions

In our opinion:

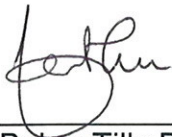
- The financial statements, which have been prepared in accordance with the national legislation applicable to the beneficiary, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- The expenditure declared was actually incurred;
- The statement of revenue is exhaustive;
- The obligations arising out of Articles 6, 7, 8, 9 (2) and 10 (2) of Regulation (EC) N°2004/2003 have been met;
- The obligations arising from the Bureau decision have been met;
- A surplus of 177.924,00 € in relation with the budget 2011 has been carried over to the next financial year. We have conducted a specific additional audit performed in accordance with International Standards on Auditing issued by the IAASB to obtain sufficient and appropriate evidence about the expenses effectively met during the first quarter of the year 2012. In our opinion, costs recognized as expenses during the first quarter of the year 2012 by “European Federation Green Parties” were higher than the amount of the provision for “carry-over”. By consequence, we confirm that the amount booked as provision for “carry-over” as at 31/12/2011 has been used during the first quarter of the following financial year pursuant to article 6a of the Bureau decision.
- The obligations arising out of Article 109 (4) of the Financial Regulation have been met;
- The obligations arising from Article II.12 – *Eligible expenditure* of the grant agreement have been met;
- Contributions in kind have actually been provided to the party and have been valued in compliance with the provisions of Article II.12.4 of the grant agreement;

- We have received all necessary explanations for the purpose of our work.

Opinion specifically required by the Belgian legislation:

- We conducted our audit in accordance with the standards of the Institute of Auditors (Institut des Réviseurs d'Entreprises). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to financial statements in Belgium.
- In accordance with those standards, we considered the association's administrative and accounting organization, as well as its internal control procedures. Non-profit association's officials have responded clearly to our requests for explanations and information.
- An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant accounting estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a true and fair view of the non-profit association's assets, liabilities, financial position as of December 31st 2011, and the results of its operations for the year the ended, and the information given in.

Soumagne, April, 26th 2012



Baker Tilly Belgium Dorthu,
Réviseurs d'Entreprises S.C.R.L.
Represented by Anne DORTHU,
Associée